

chapter and will notify the participant of the payment.

(d) The Corporation may establish procedures to aggregate payments to holders of Stafford loans for more than one individual.

PART 2529—FORBEARANCE AND INTEREST PAYMENT PROCEDURES

Sec.

2529.10 What are the procedural requirements for obtaining forbearance in the repayment of a qualified student loan during an individual's term of service in an approved AmeriCorps position?

2529.20 What are the procedural requirements for using National Service Trust funds to pay interest that accrues on a qualified student loan for which an individual has obtained forbearance?

2529.30 What additional student loan forbearance benefits are available for VISTA volunteers?

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§ 2529.10 What are the procedural requirements for obtaining forbearance in the repayment of a qualified student loan during an individual's term of service in an approved AmeriCorps position?

(a) In order to obtain forbearance in the repayment of a qualified student loan during a term of service in an approved AmeriCorps position, an individual, other than a VISTA volunteer, must submit a written request to the holder of the loan.

(b) Upon receipt of a request under paragraph (a) of this section, the holder of a qualified student loan must contact the Corporation to verify that the individual is serving in an approved AmeriCorps position and to determine the period for which the holder must grant forbearance.

(c) The holder shall grant forbearance in the repayment of a qualified student loan for the period of an individual's required term of service after obtaining the verification required under paragraph (b) of this section.

(d) The holder shall promptly report to the Corporation each individual and loan for which it grants forbearance, the period for which it has granted forbearance, and the projected amount of

interest that will accrue on the loan during the period of forbearance.

(e) If an individual who has obtained forbearance on a qualified student loan(s) does not complete his or her term of service, or if that individual's term of service is suspended, the Corporation will promptly notify the holder(s) of that loan(s).

(f) The holder is not required to grant forbearance in the repayment of qualified student loans for any period during which an individual's service in an approved AmeriCorps position has been suspended.

§ 2529.20 What are the procedural requirements for using National Service Trust funds to pay interest that accrues on a qualified student loan for which an individual has obtained forbearance?

The Corporation will make payments from the National Service Trust for interest that accrues on qualified student loans for which an individual, other than a VISTA volunteer, has obtained forbearance under § 2529.10 in accordance with the following requirements:

(a) *Completed terms of service.* (1) If an individual successfully completes a term of service, the Corporation will notify the holder of the individual's loan of the date of completion; the holder shall document the accrued interest expense to the Corporation; and the Corporation will pay all or a portion of the accrued interest and notify the individual and the holder of the loan of the payment.

(2) The percentage of the accrued interest that the Corporation will pay pursuant to paragraph (a)(1) of this section is equal to the lesser of—

(i) The product of—

(A) The required number of hours for the term of service divided by the total number of days for which forbearance was granted; and

(B) 365 divided by 17; and

(ii) 100.

(b) *Incomplete terms of service.* (1) If an individual does not successfully complete a term of service, but is eligible for a pro-rated educational benefits under § 2527.10(c) of this chapter or pro-rated Stafford Loan Forgiveness under § 2522.650(c) of this chapter, the Corporation will notify the holder of the